

Marketing basis for structure and turnover of retail and office center

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Abstract

© Medwell Journals, 2016. Choosing a tenant mix is a common challenge faced by small and medium businesses renting out their real estate, particularly for retail and office centers for which this is the main source of income. Within the economic efficiency framework, this study focuses on the notion that a retail center's efficiency and profitability builds on matching the tenant mix to the consumer's demand and preferences. The process of creating and organizing retail and office centers is detailed in academic literature. However, the feasibility studies behind this process are often left out of such papers. In client-oriented economy, the market player's activity should build on client's needs. Therefore, a retail and office center's organization, tenant mix and set-up should satisfy its customer's demand. The current study aims to find out if a center can optimize and enhance its operations based on the requirements of its end consumers. In order to answer this question, 200 residents of the neighborhood where a retail and office center was being built were interviewed. The acquired data was processed using MS access and Excel Software. The quality of the collected data was ensured by personal survey of the random sample, representative of the universe. The survey's results allowed defining the neighborhood's daily, weekly, monthly and yearly demand for different product groups as well as services. Moreover, it allowed to optimize the future center's tenant mix, structure and tenant placement. Furthermore, the research allowed formulating an efficient procurement strategy for the center's supermarket, optimizing its inventory. Conducting a feasibility study prior to the center construction can help planning the center's concept, mapping optimal routes for the customers and levelling the footfall across the center's floors, the current research showed. A survey of the future center's end customers allows assessing its turnover, optimizing the inventory and procurement strategies. This study's findings also may be used as a practical guideline when constructing and organizing a business center, applying the methodology in order to find out the consumer demand and conduct the feasibility study.

Keywords

Market research, Retail trade, Russia, Supply and demand, Turnover